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BLANCHARD, WALKER, O'QUIN & ROBERTS
A PROFESSIONAL LAW CORPORATION

400 Texas Street, Suite 1400
Shreveport, LA 71101
Firm: 318.221.6858
Fax: 318.227.2967
Web: www.bwor.com

Mailing Address:

P.O. Drawer 1126
Shreveport, LA 71163-1126

August 11, 2005

WM. TIMOTHY ALLEN, III

Direct: 318.934.0217

Email: tallen@bwor.com

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 94275
Baton Rouge, Louisiana 70804-9275

RE: HEARING APPLICATION
Pettit Zone, Reservoir B
Hosston Formation, Reservoir A
Cotton Valley Formation, Reservoir A
Black Lake Field
Natchitoches and Winn Parishes, Louisiana
Our File No. 230765.0016

Dear Sir:

On behalf of CHESAPEAKE OPERATING, INC., application is hereby made for a public hearing to receive evidence concerning the issuance of an order pertaining to the following matters relating to the Pettit Zone, Reservoir B, Hosston Formation, Reservoir A, and Cotton Valley Formation, Reservoir A, in the Black Lake Field, Natchitoches and Winn Parishes, Louisiana.

1. To establish rules and regulations and create three (3) drilling and production units (to be designated as PET RB SUA thru PET RB SUC) for the exploration for and production of oil and gas from the Pettit Zone, Reservoir B, in the Black Lake Field, Natchitoches and Winn Parishes, Louisiana, as shown on the plat attached hereto.
2. To establish rules and regulations and create five (5) drilling and production units (to be designated as HOSS RA SUA thru HOSS RA SUE) for the exploration for and production of gas and condensate from the Hosston Formation, Reservoir A, in the Black Lake Field, Natchitoches and Winn Parishes, Louisiana, as shown on the plat attached hereto.
3. To establish rules and regulations and create five (5) drilling and production units (to be designated as CV RA SUA thru CV RA SUE) for the exploration for and production of gas and condensate from the Cotton Valley Formation, Reservoir A, in the Black Lake Field, Natchitoches and Winn Parishes, Louisiana, as shown on the plat attached hereto.

4. To force pool and unitize all separately owned tracts, mineral leases, and other property interests within said units, with allocation of production from the unit well to the tracts within each such unit therefor to be on the basis of surface acreage.
5. To permit the downhole combination of the Pettit Zone, Reservoir B, Hosston Formation, Reservoir A, and Cotton Valley Formation Reservoir A, in the wellbore of any of the proposed units in which the ownership and acreage is identical.
6. To consider such other matters and issue such orders as may be appropriate and justified by the evidence presented at the hearing.

The Pettit Zone, Reservoir B, in the Black Lake Field, Natchitoches and Winn Parishes, Louisiana, is hereby defined as the stratigraphic equivalent of the Pettit Zone as defined in Office of Conservation Order No. 686-A-3, effective January 1, 1966.

The Hosston Formation, Reservoir A, in the Black Lake Field, Natchitoches and Winn Parishes, Louisiana, is hereby defined as that gas and condensate bearing interval between the depths of 8140 feet and 11,283 feet (electric log measurements) in the Placid Oil Company - Edenborn No. 44 Well located in Section 34, Township 12 North, Range 6 West, Natchitoches Parish, Louisiana.

The Cotton Valley Formation, Reservoir A, in the Black Lake Field, Natchitoches and Winn Parishes, Louisiana, is hereby defined as that gas and condensate bearing interval between the depths of 11,283 feet and 14,170 feet (electric log measurements) in the Placid Oil Company - Edenborn No. 44 Well located in Section 34, Township 12 North, Range 6 West, Natchitoches Parish, Louisiana.

Pertinent data concerning the intended application will be made available for inspection at the offices of Blanchard, Walker, O'Quin & Roberts, Chase Tower, 400 Texas Street, Shreveport, Louisiana 71163-1126. Any person wishing to inspect such data should call Wm. Timothy Allen III at (318) 221-6858 during normal business hours or write Mr. Allen at the above address, in order to arrange a date and time for such inspection. A copy of any such pertinent data can be obtained at the expense of the requesting party.

A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties (as defined in the Rules of Procedure) is attached hereto, and a copy of this notice, with the annexed plats, is being sent to each of such persons. A reasonable effort has been made to determine that the enclosed list includes all of the persons to whom this notice must be sent under the Rules of Procedure.

A Pre-Application Conference was held at the offices of Blanchard, Walker, O'Quin & Roberts, 15th Floor Conference Room, Chase Tower, 400 Texas Street, Shreveport, Louisiana, on

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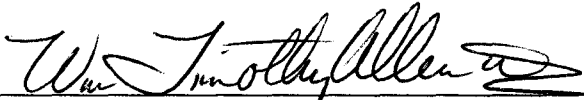
August 4, 2005, at 11:00 a.m. In addition to the Applicant's representatives, said conference was attended by the parties shown on the attached attendance list. Following a presentation by Applicant's representatives as to the geological and other bases for its proposal, a general discussion ensued prior to adjournment. It is anticipated that the hearing regarding the captioned matter will be uncontested.

A check in the amount of \$2,265.00 made payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

This application is being filed in duplicate, and a copy hereof is being sent to Mr. James C. Broussard, Shreveport District Manager of the Office of Conservation, to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list, and to all Attendees at the Pre-Application Conference.

Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS

By: 
Wm. Timothy Allen III
Attorneys for Chesapeake Operating, Inc.

WTAM:kmf
Enclosures

cc: Mr. James C. Broussard, Shreveport
District Manager (w/enclosures)
cc: Interested Owners, Represented Parties
and Interested Parties (w/copy of plats only)
cc: Attendees at Pre-Application Conference

